

FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE
INNIS, LOUISIANA

Annual Financial Report
Year Ended December 31, 2012

A Component Unit of the
Pointe Coupee Parish Police Jury

FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE
Fire/EMS/Rescue Services
6456 La Hwy 1
PO Box 212
Batchelor, Louisiana 70715
(225) 492-3100

GOVERNING BOARD
(Effective January 1, 2012)

Robert Allen, Chairperson
Donald Kimball
Marshall Long
Tim Bordelon
Shirley Best

MEETING DATE

Third Monday of Every Month

TABLE OF CONTENTS

	<u>Note</u>	<u>Page</u>
Independent Auditors' Report on the Financial Statements.....		1
Required Supplementary Information		
Management's Discussion and Analysis.....		4
Basic Financial Statements		
Government-wide		
Statement of Net Assets.....		10
Statement of Activities.....		11
Governmental Funds		
Balance Sheet.....		12
Statement of Revenues, Expenditures, and Changes in Fund Balances.....		13
Notes to the Financial Statements		
Introduction.....	1	15
Summary of Significant Accounting Policies.....	2	15
Basis of Presentation.....	2	
Reporting Entity.....	2	
Government-wide and Fund Financial Statements.....	2	
Cash.....	2	
Capital Assets and Depreciation.....	2	
Fund Equity Classifications.....	2	
Property Taxes.....	2	
Sales Taxes.....	2	
Use of Estimates.....	2	
Budgetary Information.....	2	
Long Term Obligations.....	2	
Cash.....	3	18
Capital Assets.....	4	19
Construction Loans.....	5	19
Capital Lease.....	6	20
Changes in General Long Term Obligations.....	7	20
Risk Retention.....	8	20
Litigation and Claims.....	9	20
Compensation Paid to Board Members.....	10	21
Subsequent Events.....	11	21
Required Supplementary Information:		
Budgetary Comparison Schedule – General Fund.....		23
Other Supplementary Information:		
Taxable Property Valuations.....		26
Other Report Required by Government Auditing Standards		
Independent Auditors' Report on Compliance and on Internal Control Over		
Financial Reporting Based on an Audit of the Basic Financial Statements		
Performed in Accordance with Government Auditing Standards.....		27
Schedule of Findings and Responses.....		29
Resolution of Prior Year Audit Findings.....		30

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Commissioners
Fire Protection District No. 1 of the
Parish of Pointe Coupee
Batchelor, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 23 and 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

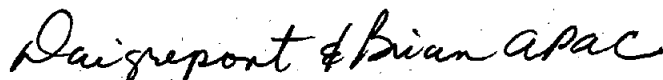
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of taxable valuations on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The budgetary comparison schedule is the responsibility of management and was derived from and relate directly to the underlying accounting or other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of taxable valuations is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of taxable valuations has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Daigrepont & Brian, APAC

Baton Rouge, LA
June 25, 2013

Required Supplementary Information

Management's Discussion and Analysis (MD&A) is a required component of financial statements prepared in accordance with generally accepted accounting principles (GAAP). The MD&A is an analysis of the financial condition and operating results of the District written by management. It introduces the basic financial statements and notes. The MD&A should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions.

FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
PO Box 212
Batchelor, Louisiana 70715

INTRODUCTION

This annual report consists of –

- Our independent auditors' report on the financial statements in which they rendered an unqualified opinion.
- Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- The basic financial statements which consist of government-wide financial statements, governmental fund financial statements, and the notes to those financial statements.
- The comparison of actual operations for the year compared to the budget.
- A schedule of taxable property valuations for the District since inception.
- Our independent auditor's report on the District's compliance with laws and regulations and how management applied internal controls over its financial operations. The results of those tests and observations disclosed one instance of noncompliance that could affect our operations.

Management's Discussion and Analysis

As management of the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2012. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The District's net assets increased by \$5,415 from \$1,187,496 in 2011 to \$1,192,914 in 2012.
- Cash increased by \$60,734 for the year ended December 31, 2012.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements, presented on pages 10 and 11, are designed to provide readers with broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental Funds. Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes, presented on pages 15 through 21, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary control, on pages 23 and 24.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$1,192,914.

The District's total assets are mainly composed of \$254,853 (13%) in cash, \$216,580 (11%) in receivables, and \$1,359,242 (74%) investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area north of the Morganza Spillway Control Structure in the northern part of Point Coupee Parish; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net assets, \$459,370, may be used to meet the District's future operations.

Net Assets

	2012	2011	% Change
Current and other assets	\$ 472,633	\$ 393,576	20%
Capital assets	<u>1,359,242</u>	<u>1,461,084</u>	-7%
Total assets	<u>1,831,875</u>	<u>1,854,660</u>	-1%
Current and other liabilities	13,263	13,035	2%
Debt liabilities	<u>625,698</u>	<u>654,129</u>	-4%
Total liabilities	<u>638,961</u>	<u>667,164</u>	-4%
Net assets			
Invested in capital assets	733,544	806,955	-9%
Unrestricted	<u>459,370</u>	<u>380,541</u>	21%
Total net assets	<u>\$ 1,192,914</u>	<u>\$ 1,187,496</u>	0%

The District's total revenues decreased by 5% from \$382,078 to \$362,634 in 2012 primarily as a result of a onetime federal grant received last year. Total expenses were fairly consistent with only a slight increase from \$354,214 in 2011 to \$357,214.

Changes in Net Assets

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Revenues:			
Taxes	\$ 348,467	\$ 342,114	2%
Intergovernmental revenues	13,619	39,959	-66%
Other revenues	<u>548</u>	<u>5</u>	10,860%
Total revenues	<u>362,634</u>	<u>382,078</u>	-5%
Expenses:			
Operating	238,415	237,900	0%
Depreciation	<u>118,799</u>	<u>116,314</u>	2%
Total expenses	<u>357,214</u>	<u>354,214</u>	1%
Change in net assets	<u>\$ 5,420</u>	<u>\$ 27,864</u>	-81%

Governmental Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the District's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 220% of total fund operating expenditures.

The fund balance of the District increased by \$78,829 during the current year.

Budgetary Highlights

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on pages 23 and 24. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

Actual revenues of \$362,634 exceeded budgeted revenues of \$324,000 by \$38,634 while actual expenditures of \$283,805 were less than budgetary expenditures of \$355,800 by \$71,995.

Capital Assets

At December 31, 2012 and 2011, the District had \$733,544 and \$806,955, respectively, invested in a broad range of capital assets, including buildings, vehicles, and equipment. Further detail on capital assets is presented in Note 4 on page 19.

Long-Term Debt

At the end of the year, the District had one capital lease obligation and two construction loans of \$625,698. Further information on long-term debt is presented in Notes 5 and 6 on page 19 and 20.

Economic Factors and Next Year's Budget

The District serves a population estimated at approximately 2,500. Although the District does not have paid firefighters, through the efforts of approximately 17 volunteers, the District has attained an IRC In Rating of 5 and a IRC Out Rating of 5, which means that insurance rates for the taxpayers in the District were lowered due mainly to acquisitions and improvements to equipment and the efforts of the volunteer firemen.

In 2010 District completed the construction of a new central fire station in Innis with a \$560,000 loan and \$60,000 grant from the U.S. Department of Agriculture. This new facility should improve the administration of operations and possibly attract more volunteers which may increase the fire insurance rating at a level that will return fire protection and economic benefit to the taxpayers of the District.

The recap below of assessed property valued by year from 1993 to 2012 which shows that the District has shown some economic progress during that time frame.

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1993	5.75	9,604,454	2,110,334	43,094	12,136	55,230
1994	5.75	9,963,727	2,128,528	45,055	12,241	57,296
1995	5.75	10,488,882	2,163,112	47,876	12,440	60,316
1996	4.96	12,598,078	2,308,790	51,035	11,451	62,486
1997	5.47	12,472,381	2,311,072	55,583	12,643	68,226
1998	5.47	12,941,695	2,359,376	57,886	12,907	70,793
1999	5.47	12,922,757	2,396,162	57,581	13,108	70,690
2000	5.60	12,794,574	2,469,156	57,822	13,827	71,649
2001	5.54	13,707,458	2,479,831	62,201	13,738	75,939
2002	5.54	12,275,127	2,629,291	68,005	14,567	82,571
2003	5.54	11,551,127	2,648,426	63,994	14,673	78,666
2004	5.54	17,479,615	2,724,770	96,837	15,095	111,933
2005	6.53	14,687,740	2,770,480	95,912	18,091	114,003
2006	6.53	16,292,585	2,771,040	106,391	18,095	124,487
2007	6.53	15,719,728	2,846,410	102,651	18,587	121,238
2008	6.46	19,145,611	3,000,940	123,681	19,386	143,067
2009	6.46	20,425,840	3,050,580	131,951	19,707	151,658
2010	6.46	29,034,860	3,055,230	187,565	19,737	207,302
2011	6.50	29,113,230	3,062,600	189,241	19,910	209,151
2012	6.50	30,941,644	3,067,236	201,126	19,940	221,066

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Robert Allen, Chairman for the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana at (225) 492-3100.

BASIC FINANCIAL STATEMENTS

The government-wide financial statements, presented on pages 10 "Statement of Net Assets" and 11 "Statement of Activities", are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Assets includes capital assets and long-term debt and the Statement of Activities includes depreciation as an expense of operations.

The governmental funds, presented on pages 12 "Balance Sheet" and 13 and 14 "Statement of Revenues, Expenditures, and Changes in Fund Balance", are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the Balance Sheet does not report capital assets or long-term debt and the Statement of Revenues, Expenditures, and Changes in Fund Balance includes capital acquisitions, annual debt service, and excludes depreciation.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF NET ASSETS
December 31, 2012**

	Governmental Activities
ASSETS	
Cash	\$ 254,853
Receivables	
Ad valorem taxes	201,067
Sales taxes	15,513
Total current assets	<u>471,433</u>
Capital assets, net of accumulated depreciation:	
Land	30,000
Buildings	940,423
Vehicles	284,109
Firefighting equipment and tools	95,707
Furniture, fixtures, and equipment	9,003
Total capital assets (net)	<u>1,359,242</u>
Restricted cash	1,075
Deposits	125
Total Assets	<u><u>1,831,875</u></u>
LIABILITIES	
Accrued interest payable	4,836
Amount due retirement system	8,427
Notes payable - USDA	6,550
Capital lease obligations	22,945
Total current liabilities	<u>42,758</u>
Due in more than one year	
Notes payable - USDA	519,219
Capital lease obligations	76,984
Total due in more than one year	<u>596,203</u>
Total Liabilities	<u><u>638,961</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	733,544
Unrestricted	459,370
Total Net Assets	<u><u>\$ 1,192,914</u></u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2012**

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Governmental Activities
Governmental Activities:					
Public safety	\$ 357,214	\$ -	\$ -	\$ -	\$ (357,214)
Total Governmental Activities	\$ 357,214	\$ -	\$ -	\$ -	\$ (357,214)

General Revenues:

Taxes:

 Property tax, levied for fire protection 201,103

 Sales 147,364

General intergovernmental revenues 13,619

Miscellaneous revenues 548

Total General Revenues 362,634

Change in Net Assets 5,420

Net Assets at Beginning of Year 1,187,494

Net Assets at End of Year \$ 1,192,914

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012**

	General Fund
ASSETS	
Cash	\$ 254,853
Receivables -	
Ad valorem	201,067
Sales tax	15,513
Restricted cash	1,075
Deposits	125
Total Assets	<u>472,633</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accrued interest payable	4,836
Amount due retirement system	8,427
Total Liabilities	<u>13,263</u>
Fund Balances:	
Unassigned	<u>459,370</u>
Total Fund Balances	<u>459,370</u>
Total Liabilities and Fund Balances	<u><u>\$ 472,633</u></u>

Reconciliation of the Statement of Net Assets of Governmental Funds to the Balance Sheet:

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 459,370
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,359,242
Long-term liabilities, including bonds payable and capital lease obligations are not due and payable in the current period and therefore are not reported in the funds.	<u>(625,698)</u>
Net assets of governmental activities	<u><u>\$ 1,192,914</u></u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund
Revenues	
Taxes -	
Ad valorem	\$ 201,103
Sales	147,364
Intergovernmental revenues -	
State fire insurance rebate	10,559
State revenue sharing	3,060
Miscellaneous revenues -	
Other revenues	548
Total Revenues	<u>362,634</u>
Expenditures	
Current operations -	
Accounting	16,373
Board fees	2,040
Building and grounds maintenance	6,708
Equipment maintenance	28,164
Insurance	32,156
Miscellaneous	3,241
Professional fees	10,850
Supplies and protective gear	18,068
Tax collector fees	8,427
Telephone	2,873
Training and fire prevention	15,630
Utilities	4,648
Vehicle maintenance	41,481
Volunteer fire department expense	18,060
Capital outlays/(retirements)	
Vehicles	(1,105)
Equipment	18,062
Debt service -	
Principal retirement	28,431
Interest expense	29,698
Total Expenditures	<u>283,805</u>
Expenditures in Excess of Revenues	78,829
Fund Balance, Beginning of Year	380,541
Fund Balance, End of Year	<u><u>\$ 459,370</u></u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 78,829
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$16,957) was less than depreciation (\$118,797) in the current period.	(101,840)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	28,431
Change in net assets of governmental activities	<u>\$ 5,420</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - INTRODUCTION

On July 14, 1981, the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana was created by a resolution of the Pointe Coupee Parish Police Jury under authority of Louisiana Revised Statute 40:1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within historical Wards 1, 2, and 3 of Pointe Coupee Parish. In accordance with LRS 40:1494, the District is managed by a board of five commissioners appointed by the Pointe Coupee Parish Police Jury. The Chairman is elected by these commissioners. These five commissioners accept no compensation although per diem is allowed. The District has no employees. Labor is furnished through an intergovernmental service agreement with the local volunteer firefighters.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying general purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The District is body politic and a corporate and political subdivision of the Pointe Coupee Parish Police Jury.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Pointe Coupee Parish Police Jury or the general government services provided by that governmental unit.

No component units were identified for inclusion in the District's financial statements.

Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting on the district as a whole) and fund financial statements (reporting the district's major funds). Both of these statements are designed to categorize primary activities as either governmental or business type activities. All activities for the District are classified as governmental.

The government-wide financial statements include the statement of net assets and the statement of activities. These statements are presented on the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad volorem tax revenues are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The government wide statement of activities shows the amount by which the direct expenses of a functional category (Public Safety) are offset by program revenues.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds of the District include:

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due.

Cash

Cash includes monies held in checking and savings accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks with principal offices in Louisiana.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The District generally capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (continued)

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	10-40 Years
Vehicles	5-20 Years
Firefighting equipment and tools	5 Years
Furniture, fixtures, and office equipment	3 Years

Fund Equity Classifications

Equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Property Taxes

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.3%.

Property taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected by the Sheriff in November and December of the year they are levied and remitted to the District in December of the year they are levied and the January following the year they are levied. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2012, taxes of \$221,066 were levied on property with assessed valuations totaling \$34,008,880 at the rate of 6.5 mills. Taxes are levied for the purpose of purchasing, maintenance, and operation of the District's fire protection facilities, vehicles, and equipment.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales Taxes

On April 2, 2005, the voters of Pointe Coupee Parish approved the levy and collection of a 1/4 percent sales and use tax dedicated to the purpose of providing for fire protection throughout the Parish of Pointe Coupee, Louisiana, by assisting the five existing fire protection districts within said Parish to pay operating, maintenance and capital improvements costs within the respective corporate limits of each of said Districts to be shared equally. Sales tax revenues are collected by the Pointe Coupee Parish Police Jury and are generally remitted to the District on a monthly basis. Sales tax revenue is recognized as revenues for the month reported and collected by the Pointe Coupee Parish Police Jury.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

The policy and practice of the District is for the Fire Chief to submit an annual budget for the General Fund to the Board for approval and adoption.

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. There was one amendment to the budget during the year. The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

Long-Term Obligations

Expenditures for principal and interest payments are recognized in the governmental funds when due.

NOTE 3 – CASH

At December 31, 2012, the status of deposited funds and collateralized balances are as follows:

Noninterest-bearing demand deposits-unrestricted	\$ 256,053
Secured by unlimited federal deposit insurance	256,053
Unsecured/uncollateralized	<u>\$ -</u>

Cash is stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The fiscal agent bank for the District participates in the FDIC's Transactions Account Guarantee program. This program provides depositors with unlimited coverage for noninterest-bearing transaction accounts at participating FDIC-insured institutions.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012**

NOTE 4 – CAPITAL ASSETS

Amounts invested and changes in capital assets for governmental activities are as follows:

	12/31/11	Increase	Decrease	12/31/12
Capital Assets				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Buildings	1,014,173	-	-	1,014,173
Vehicles	769,986	-	32,500	737,486
Firefighting equipment and tools	271,496	18,061	-	289,557
Furniture, fixtures, and equipment	15,823	-	-	15,823
Total Capital Assets	2,101,478	18,061	32,500	2,087,039
Less: Accumulated Depreciation				
Buildings	47,785	25,966	-	73,751
Vehicles	442,838	41,933	31,395	453,376
Firefighting equipment and tools	145,351	48,499	-	193,850
Furniture, fixtures, and equipment	4,420	2,400	-	6,820
Total Accumulated Depreciation	640,394	118,798	31,395	727,797
Net Capital Assets for Governmental Activities	\$ 1,461,084	\$ (100,737)	\$ (1,105)	\$ 1,359,242

NOTE 5 - CONSTRUCTION LOANS

The District has two outstanding loans with the U.S. Department of Agriculture for the construction of a new fire station. The annual interest rate on both notes is 4.25% with annual installments of \$24,112 and \$5,243. Both notes mature October 2049.

The amounts due on debt for the next five years and in five year increments thereafter on the two notes as follows:

Years	Principal	Interest	Total
2013	6,550	22,805	29,355
2014	6,834	22,521	29,355
2015	7,130	22,225	29,355
2016	7,439	21,916	29,355
2017	7,761	21,594	29,355
2018-2022	44,156	102,621	146,777
2023-2027	54,590	92,187	146,777
2028-2032	67,489	79,288	146,777
2033-2037	83,437	63,340	146,777
2038-2042	103,153	43,624	146,777
2043-2047	122,342	18,919	141,261
2048-2049	14,888	359	15,247
Totals	\$ 525,769	\$ 511,399	\$ 1,037,168

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012**

NOTE 6 - CAPITAL LEASE

On July 12, 2006, the District entered into a Governmental Lease Purchase Agreement with Government Capital Corporation to acquire a commercial pumper. Total cost of the commercial pumper was \$226,545. The District signed a lease agreement at a rate of 4.88%. The lease is to be paid in 10 annual installments of \$28,644 with final payment due on May 1, 2016.

The future annual lease payments are as follows:

Years	Principal	Interest	Total
2013	22,945	5,699	28,644
2014	24,253	4,391	28,644
2015	25,637	3,007	28,644
2016	27,094	1,550	28,644
Totals	\$ 99,929	\$ 14,647	\$ 114,576

NOTE 7 - CHANGES IN GENERAL LONG TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	12/31/2011	Addition	Principal Paid	12/31/2012
USDA note payable	\$ 532,493	\$ -	\$ (6,724)	\$ 525,769
Capital lease payable	121,636	-	(21,707)	99,929
Total	<u>\$ 654,129</u>	<u>\$ -</u>	<u>\$ (28,431)</u>	<u>\$ 625,698</u>

NOTE 8 - RISK RETENTION

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2012 from coverage in the prior year.

NOTE 9 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the District at December 31, 2012.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012**

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Donald Kimball	\$	450
Bob Allen		480
Tim Bordelon		270
Shirley Best		480
Marshall Long		270
	\$	<u>1,950</u>

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated all subsequent events through June 25, 2013, the date the financial statements were available for release.

On April 29, 2013 the board authorized the incurring of Certificates of Indebtedness in the amount of \$1,100,000 for the purpose of acquiring new fire vehicles, paying off existing debt, and to pay for the cost of issuing the Certificates. The Certificates mature 15 years from the issue date and shall initially bear an interest rate of 3.15% for the first 10 years and 2.20% for the next 5 years. The Certificates will be repaid in one annual payment of \$107,113 for the first 4 years and \$81,036 thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

The following Budgetary Comparison Schedule – General Fund is required by GASB 34. The schedule presents the original adopted budget and final budget for the fiscal year and compares the final budget to actual operations of the District.

State Law requires the District to amend its budget when projected actual revenues and surplus is 5% below the adopted budget or when projected actual expenditures exceed 5% of the adopted budget. For the year ended December 31, 2011, actual revenues were 117% and actual expenditures were 91% of the final appropriated budget.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Ad valorem	\$ 174,960	\$ 174,960	\$ 201,103	\$ 26,143
Sales	132,040	132,040	147,364	15,324
Intergovernmental revenues				
State fire insurance rebate	10,000	10,000	10,559	559
State revenue sharing	7,000	7,000	3,060	(3,940)
Miscellaneous revenues				
Other	-	-	548	548
Total Revenues	324,000	324,000	362,634	38,634

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL FUND
For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current operations				
Accounting	15,000	19,000	16,373	2,627
Board fees	3,000	3,000	2,040	960
Building and grounds maintenance	7,000	7,000	6,708	292
Equipment maintenance	35,000	39,500	28,164	11,336
Insurance	66,000	34,500	32,156	2,344
Miscellaneous	8,500	9,500	3,241	6,259
Professional fees	37,000	20,000	10,850	9,150
Supplies and protective gear	18,000	25,000	18,068	6,932
Tax collector fees	5,300	5,300	8,427	(3,127)
Telephone	2,800	3,600	2,873	727
Training and fire prevention	10,000	18,000	15,630	2,370
Utilities	8,000	8,000	4,648	3,352
Vehicle maintenance	70,000	75,000	41,481	33,519
Volunteer fire department expense	37,000	-	18,060	(18,060)
Capital outlays	-	-	16,957	(16,957)
Debt service	68,400	88,400	58,129	30,271
Total Expenditures	391,000	355,800	283,805	71,995
Excess of Revenues (Expenditures)	(67,000)	(31,800)	78,829	110,629
Fund Balances, Beginning of year	380,541	380,541	380,541	-
FUND BALANCES, END OF YEAR	\$ 313,541	\$ 348,741	\$ 459,370	\$ 110,629

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

The following pages contain a schedule of taxable property values.

The following pages also contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, NEW ROADS, LOUISIANA
TAXABLE PROPERTY VALUATIONS
SINCE INCEPTION
(UNAUDITED)**

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1987	3.00	8,037,360	2,295,893	17,225	6,888	24,113
1988	3.07	7,790,843	2,138,516	17,353	6,566	23,920
1989	3.07	7,967,819	2,152,674	17,853	6,610	24,463
1990	3.07	7,723,989	2,147,227	17,121	6,593	23,714
1991	6.07	7,845,308	2,156,817	34,530	13,093	47,623
1992	5.97	8,364,080	2,102,887	37,380	12,556	49,936
1993	5.75	9,604,454	2,110,334	43,094	12,136	55,230
1994	5.75	9,963,727	2,128,528	45,055	12,241	57,296
1995	5.75	10,488,882	2,163,112	47,876	12,440	60,316
1996	4.96	12,598,078	2,308,790	51,035	11,451	62,486
1997	5.47	12,472,381	2,311,072	55,583	12,643	68,226
1998	5.47	12,941,695	2,359,376	57,886	12,907	70,793
1999	5.47	12,922,757	2,396,162	57,581	13,108	70,690
2000	5.60	12,794,574	2,469,156	57,822	13,827	71,649
2001	5.54	13,707,458	2,479,831	62,201	13,738	75,939
2002	5.54	12,275,127	2,629,291	68,005	14,567	82,571
2003	5.54	11,551,127	2,648,426	63,994	14,673	78,666
2004	5.54	17,479,615	2,724,770	96,837	15,095	111,933
2005	6.53	14,687,740	2,770,480	95,912	18,091	114,003
2006	6.53	16,292,585	2,771,040	106,391	18,095	124,487
2007	6.53	15,719,728	2,846,410	102,651	18,587	121,238
2008	6.46	19,145,611	3,000,940	123,681	19,386	143,067
2009	6.46	20,425,840	3,050,580	131,951	19,707	151,658
2010	6.46	29,034,860	3,055,230	187,565	19,737	207,302
2011	6.50	29,113,230	3,062,600	189,241	19,910	209,151
2012	6.50	30,941,644	3,067,236	201,126	19,940	221,066

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Fire Protection District No. 1 of the
Parish of Pointe Coupee
Batchelor, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 1 of the Parish of Pointe Coupee (the "District") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 25, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2012-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of the Louisiana Governmental Audit Guide is reported as item 2012-1.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daigrepoint & Brian APAC

Daigrepoint & Brian, APAC

Baton Rouge, LA
June 25, 2013

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
Schedule of Findings and Responses
December 31, 2012

Section A - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements of Fire Protection District No. 1 of the Parish of Pointe Coupee Parish, Louisiana.
- One significant deficiency was disclosed during the audit of the basic financial statements.
- One instance of noncompliance or other matters was disclosed during the audit of the basic financial statements.

Section B - Financial Statement Findings

2012-1 Noncompliance with the Local Government Budget Act

Finding

The District's original and amended budget did not include a budget message or a side-by-side detailed comparison of the budget and current year to date revenue and expenses. The inclusion of a budget message and the presentation of a side-by-side comparison of the year to date revenue and expenses is required to be in compliance with Government Auditing Standards and R.S. 39:1301-1315.

Recommendation

We suggest that management obtain the necessary skills to prepare the budget in compliance with the Local Government Budget Act. This could include utilizing budgetary templates and other documentation located on the Legislative Auditor's website, attending training on budget preparation, or even contracting a firm to assist with the preparation and monitoring.

Response

The Board plans to contact its CPA firm to add budget monitoring to our monthly services. We feel that this, along with using the budgetary template and other resources located on the Legislative Auditor's website, will allow us to be in compliance with the Local Government Budget Act.

**FIRE PROTECTION DISTRICT NO. 1 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
Resolution of Prior Year Audit Findings
December 31, 2011

2011-1 Noncompliance with the Local Government Budget Act

Finding

The District's original and amended budget did not include a budget message or a side-by-side detailed comparison of the budget and current year to date revenue and expenses. The inclusion of a budget message and the presentation of a side-by-side comparison of the year to date revenue and expenses is required to be in compliance with Government Auditing Standards and R.S. 39:1301-1315.

Status

This finding has been restated as finding 2012-1